

**PACE AUTOMATION LIMITED**

**POLICY ON**

**CORPORATE SOCIAL RESPONSIBILITY**

**(CSR)**

# **PACE AUTOMATION LIMITED**

## **POLICY ON CORPORATE SOCIAL RESPONSIBILITY (CSR)**

### **Title and Applicability**

Pace Automation Limited ('Company') has developed its Corporate Social Responsibility Policy ('Policy') in accordance with section 135 of the Companies Act 2013 and the rules made there under.

### **CSR Vision Statement**

- To assist the needy people (economically backward) to have a proper and affordable medical treatment

### **CSR Mission Statement**

- Create a meaningful and lasting impact on the communities by assisting the needy people who are economically backward either spending directly or by creation of a Foundation or Trust to channelize the funds.

### **CSR Objectives**

- The Company will wither create a Foundation or Trust to channelize the funds for helping the needy people to meet their medical expenses for undergoing surgery
- In consultation with the local community, the Company will design and effectively implement the objects for CSR activities of the company.

### **Validity of CSR Policy**

The Board may amend the CSR policy as may be required from time to time

The Company will focus primarily on the following programmes:

The Company aims to create a meaningful and lasting impact on the communities in remote areas by helping them transcend barriers of socio-economic development. A Model of Integrated Healthcare Service will be established to improve the health of Communities through:

## CSR Budget

- The Board of Company shall ensure that in each financial year, the Company spends at least 2% of the average net profit made during the immediate three preceding financial years.
- The unutilized CSR budget from the 2% of the average net profit will be parked in a CSR Fund (Corpus) created by the company. This Fund would also include any income arising there from and any surplus arising out of CSR activities
- In case of any surplus arising out of CSR projects the same shall not form part of business profits of the Company
- The Company may collaborate or pool resources with other companies (its subsidiary companies) to undertake CSR activities.

## 8 CSR Implementation

- The CSR projects will be implemented in a time-bound manner with clear objectives, plan, targets and robust monitoring and evaluation mechanisms.
- The Company's ongoing CSR projects will be aligned to the Policy. This Policy builds on the learnings and good practices of the CSR projects initiated by the Company.
- The Company has formed a committee for implementation of CSR projects. The mode of implementation will include a combination of direct implementation and implementation through trust / foundation set up by the Company and partners such as Foundations, Trusts, etc. The Company will select its partners after appropriate due diligence.
- The Company will use services of expert agencies, consultancy firms etc. wherever required for carrying out baseline surveys, guidance on project design and implementation, thirdparty monitoring and evaluations, impact assessment surveys etc.

## Roles and responsibilities

### A. The Board

The Board of Directors of the Company will be responsible for:

- Approval of the CSR Policy of the Company
- Disclosing the content of the Policy in its report and place the Policy on the Company's website in such a manner as prescribed under Section 135 of the Companies Act 2013 read with the CSR Rules

- Ensuring that the social projects included in the Policy are undertaken by the Company
- Ensuring that the Company spends, in every financial year, at least 2% of the average net profits of the Company made during the three immediately preceding financial years in pursuance of the Policy
- Ensuring that the Company gives preference to the local areas around its operations for spending the amount earmarked for CSR projects
- Ensuring that it specifies the reasons in its report for not spending the earmarked amount in case the Company fails to spend such amount

#### **B. CSR Committee**

- **Composition of the CSR Committee:** The composition of the CSR Committee of the Board is as under.

<b>S. No.</b>	<b>Name</b>	<b>Category</b>	<b>CSR Committee</b>
1	Mr. S G Chandru	Managing Director	Chairman
2	Mr. K Venkateswaran	Independent Director	Member
3	Ms. Malathi Gopalakrishnan	Non-Executive Director	Member
4	Mrs. Suguna Raghavan	Independent Director	Member

The Board shall have the power to make any change(s) in the constitution of the Committee.

- **Responsibility of the CSR Committee:**
  - Formulate and recommend the CSR Policy to the Board for approval. The Committee shall indicate the projects to be undertaken by the Company as specified in Schedule VII
  - Monitor the Policy from time to time and recommend changes to the Board
  - Recommend the amount of expenditure to be incurred on CSR projects
  - Institute a transparent monitoring mechanism for ensuring implementation of the social projects undertaken by the Company

#### **C. CSR Coordinating Team**

- **Responsibility of the CSR Implementation Team**

- Act as central coordinating point for the delivery of CSR activities
- Coordinate with the implementing departments for project design and implementation of CSR programmes in compliance with section 135 of the Companies Act and the CSR Rules
- Plan annual budgets for CSR projects in coordination with the implementing departments and make a proposal to the CSR Committee
- Identify and manage partners to implement programs as required
- Report to the CSR Committee the progress on CSR projects and status of CSR expenditure once in each quarter
- Documentation and reporting of all CSR activities of the Company in pursuit of the Companies Act and the CSR Rules
- Any other activities that maybe required to effectively deliver the CSR programs of the Company

## 1 Monitoring and Reporting Framework

### Project monitoring

The Company will institute a well-defined monitoring and evaluation mechanism to ensure that each social project has:

- Clear objectives developed out of the societal needs that are determined through baseline studies and research
- Clear targets, timelines and measureable parameters wherever possible
- A progress monitoring and reporting framework that is aligned with the requirements of Section 135 of the Companies Act and the CSR Rules

The CSR progress monitoring authorities and the frequency of review is given below:

Sr. No.	CSR Progress Review and Monitoring Authority	Frequency of review
1	Board of Directors	Half Yearly
2	CSR Committee	Half Yearly

### Budget monitoring

The Company will establish an accounting system to ensure project wise accounting of CSR spend

**Reporting framework**

The Company will monitor progress on CSR projects and CSR spend and report to the top management quarterly and the CSR Committee half yearly.

The Company will report CSR performance in its annual report as per the structure and format prescribed in the notified CSR Rules.